

THE JACOBS REPORT

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GOVERNOR UNVEILS SWEEPING BUSINESS TAX REFORM

Jobs and Investment Act Makes Michigan More Attractive to Job Providers

In a crowded press conference at the Capitol, Governor Jennifer M. Granholm called passage of her Single Business Tax reform package critical to retaining and creating more jobs in Michigan. Supporters of the legislation, a vast coalition of business and labor leaders, joined the governor to mark the legislation's introduction. Granholm praised the bill sponsors and the organizations that are working for passage of the package, the most sweeping restructuring of the SBT since its inception 30 years ago.

"We need the Michigan Jobs and Investment Act to grow Michigan's economy," said Governor Granholm. "Instead of punishing job providers for creating new jobs, this new tax structure encourages job providers to keep jobs here today and grow jobs here in the future."

The SBT package has won the support of the Michigan Jobs and Investment Coalition which brings together business, labor, and civic organizations, including the Michigan Manufacturers Association, major Michigan employers like Steelex, US Steel, and the Big 3 automakers; the UAW, Michigan AFL-CIO, and the Michigan Municipal League. The plan has also been endorsed by the Small Business Association of Michigan (SBAM).

"It's not every day you see a coalition like this come together," said Granholm, "but the need to do all we can to bring more jobs to Michigan is something that should unite us all."

In addition to the supporting organizations, Granholm was joined at the event by sponsors of the Michigan Jobs and Investment Act: Senators Buzz Thomas (D-Detroit) and Gilda Jacobs (D-Huntington Woods) and Representatives Paul Condino (D-Southfield) and Andy Meisner (D-Ferndale).

"I am proud to stand shoulder to shoulder with Governor Granholm and my legislative counterparts," said Senator Thomas. "Governor Granholm's plan encourages job providers to keep jobs in Michigan. It's comprehensive, it's fair and it will help grow Michigan's economy."

According to Senator Jacobs, the restructuring will help attract new job providers in the future, as well. "This restructuring makes Michigan more attractive for research and development companies," said Jacobs. "Michigan is already home to a majority of North America's research and development, and they're poised to grow. This plan will ensure we can compete for that growth in Michigan."

Representatives Condino and Meisner, sponsors of the house bills, call the Michigan Jobs and Investment Act a win for large and small businesses alike. “Three of every four businesses that currently pay the SBT will see a tax cut,” said Representative Paul Condino. “And, small businesses benefit even more through a 40 percent rate cut.”

Representative Meisner underscored the importance of a restructuring that is revenue neutral with no further negative impacts on Michigan’s state budget. “The Governor recognizes that a competitive tax structure is part of the equation in making Michigan attractive for job providers,” he said. “This plan makes Michigan’s tax structure competitive but recognizes that we have to protect Michigan’s quality of life, too.”

Key provisions of the Michigan Jobs and Investment Act:

- Cuts the rate for all SBT taxpayers - reduced from 1.9% to 1.2% (2 % to 1.2% for small business).
- Creates a manufacturing personal property tax credit - manufacturers would get a credit for 35% of personal property taxes paid on property used for manufacturing or R&D purposes.
- Creates an R&D credit - taxpayers would receive a credit for 1.2% of compensation paid to employees engaged in research and development

For more on the Michigan Jobs and Investment Act, log onto www.michigan.gov or www.michiganlegislature.org.

SENATE REPUBLICANS BOUNCE JONES

Granholm Furious

Incumbent Board of State Canvasser Dorothy Jones became the first gubernatorial appointment in 15 years to be rejected by the Senate. After 40 minutes of contentious debate, the Senate rejected Jones by a 22-15 straight party vote.

Senate Democrats were visibly upset, questioning how much partisan politics, race and gender played in the Republican majority’s decision to bounce her.

Governor Jennifer Granholm described herself as “furious,” admonishing Senate Majority Leader Ken Sikkema (R-Wyoming) for his recommendation that Dorothy Jones’ appointment to the Board be rejected, calling it “outrageous.”

“I was at the confirmation hearing of Dorothy Jones,” said Senate Democratic Leader Bob Emerson (D-Flint), “and it was clear to me and to everyone there that they were being graced by the presence of a fine public servant. After decades of service . . . she is being rejected by the majority because they disagree with two votes. Is there any [Senator] who thinks that someone should be put out of office on the grounds that the Court of Appeals--not even the highest court in this state--disagreed with you?”

“I also sat in that committee yesterday,” said Senator Gilda Z. Jacobs (D-Huntington Woods) and she impressed me with her eloquence and her determination to do right and to go with her heart and her head to help to clarify a complex question for the voters of Michigan. I think we need more people like Dottie Jones volunteering their time, not fewer. It’s too bad the majority party didn’t reconsider their position on this appointment. This was an injustice.”

Granholm noted that as the board’s longest-serving member, Jones is obviously “qualified” to serve on the board. She has twice been appointed by former Republican Governor John Engler, has twice been confirmed by the State Senate, and has carried out her duties on this constitutional body under the law.

“Dottie Jones has been good enough to serve Democratic and Republican governors alike, from Governors Milliken and Blanchard to Governor Engler and now me. But, apparently, she is not good enough for Senator Sikkema,” said Granholm. “This is the first time in 15 years the Senate has rejected a gubernatorial appointment. This is a slap in the face to Dottie Jones and a slap in the face to a political process that requires bipartisanship.”

According to Granholm, Jones meets all of the qualifications to serve on the Board of State Canvassers except one: She refuses to ignore the law and be a rubber stamp. Jones had drawn ire from conservatives for questioning the integrity of Nader signatures and the clarity of the “any other similar union” section of the Proposal 2 anti-gay ballot initiative. To Jones’ credit, that language has yet to be clarified and is likely destined for court.

“I find it compelling that at least three federal courts in other states kept Nader off the ballot,” said Senator Emerson. “Regarding the gay marriage petition, I believe that Ms. Jones was right. The language is unclear. Questions still remain about whose benefits are cut off. Dottie Jones was trying to help the voters reach a better understanding of what the petition language meant. I don’t think that’s any reason to reject this qualified person for this position.”

“Dottie Jones has upheld her constitutional responsibilities,” Granholm said. “She is getting rejected because she asked tough questions and fought for clear and understandable wording on a ballot proposal on behalf of the voters of Michigan. What she has done is uphold the law and refuse to be a rubber stamp for anyone’s partisan point-of-view. For that, she is about to be dismissed, which should offend every person in this state.”

Several Democratic senators spoke of the loss of diversity on the board, but Senator Irma Clark-Coleman (D-Detroit) drove the point home by relating Jones to her own career struggles under a predominantly white male political power-structure.

“After approving 400 appointments, why is it that the African American woman is the only one to be rejected? As a black woman, I am personally offended,” she said. “At a time when we’re moving beyond racism, beyond sexism, we ought to put aside those issues and support people who are highly qualified ... I don’t know how any woman here could vote to reject a person with these qualifications.”

The last gubernatorial appointment rejected by the Senate was nominated by then lame-duck James Blanchard in 1990.

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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